

## Message Text

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ACTION EUR-06

INFO OCT-01 ISO-00 A-01 M-02 ABF-01 PER-05 FS-01 RSC-01

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P R 131110Z SEP 74

FM AMEMBASSY HELSINKI

TO USIA WASHDC PRIORITY

INFO SECSTATE WASHDC 7861

DOD WASHDC

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DEPARTMENT OF STATE PASS TO EUR/EX

USIAC

E.O. 11652: N/A

SUBJECT: USIS FINNISH EMPLOYEE'S PAY INCREASES

REF: STATE 192070, HELSINKI 1774 AND 1807

1. SUMMARY: USIS HELSINKI AVERTS TO LAG IN WAGE INCREASE OF FINNISH PERSONNEL, REFERS TO IMBALANCE WITH GOVERNMENT OF FINLAND INCREASES, POINTS TO EXACERBATION OF SITUATION CAUSED BY PREVIOUS DELAYS IN MAINTENANCE EQUITY POSITION AND BLOW TO LOCALS' POCKETBOOKS. URGES EMBASSY JULY 29 PROPOSAL FOR WAGE INCREASE BE IMPLEMENTED NOT LATER THAN OCTOBER FIRST. END SUMMARY

2. USIS FINLAND ADDRESSES THE AGENCY WITH ITS CONCERN FOR FY-75 PAY INCREASES FOR LOCAL EMPLOYEES.

3. FOR FULL COMPREHENSION OF THIS MATTER THE AGENCY SHOULD ALSO REFER TO EMBASSY HELSINKI'S JULY 29 OM REQUESTING PAY RAISE FOR LOCALS SO AS TO BE IN LINE, HOWEVER BELATEDLY, WITH GOF WAGE DECREE.

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4. THIS JULY 29 OM TO DEPARTMENT PERFECTLY STATED

THE CASE FOR A WAGE INCREASE, THE POSTPONEMENT OF WHICH STANDS AS A MAJOR OBSTACLE TO EMPLOYEE MORALE AND FISCAL COMFORT. POST FAILURE TO DATE TO MEET MARKET SALARY LEVELS FOR WHITE-COLLAR EMPLOYEES IN BOTH GOVERNMENT AND PRIVATE SECTORS SANCTIFIED IN GOF INCREASES IS SERIOUS ONE. EXACERBATING SITUATION IS THAT THIS IS THIRD YEAR IN ROW THAT IT HAS HAPPENED.

5. IN 1972, GOF WAGE INCREASE WAS APRIL FIRST; OURS CAME OCTOBER FIRST, SIX MONTHS LATER. WE SPARE THE AGENCY A TOTAL RECKONING OF COST TO OUR FINNISH COLLEAGUES BUT IT IS IMPORTANT FACTOR IN OUR DILEMMA.

6. IN 1973, GOF HIKE CAME IN APRIL, OURS CAME NOVEMBER 26, EIGHT MONTHS LATER.

7. IN 1974, GOF INCREASE WAS AGAIN APRIL FIRST; AS OF SEPTEMBER 12, USIS PERSONNEL STILL AWAIT THE INCREASE ENJOYED BY REST OF FINNISH WHITE-COLLAR WORK FORCE.

8. FOR THE DOLLAR IMPACT ON FINNISH EMPLOYEE, WE GIVE LOSS FROM 1972 TO PRESENT OF ONE MAN; 1972: \$368; 1973: \$522; 1974 TO DATE: \$127, FOR A THREE-YEAR TOTAL OF \$1,017.

9. NOTE THAT NOVEMBER 25, 1973 INCREASE WAS FOR 10 PERCENT, DESPITE EMBASSY'S REQUEST FOR 20 PERCENT THEN FOLLOWED WAGE SURVEY OF EARLY 1974 RESULTING IN A WAGE SCALE ADJUSTMENT WHICH LEFT SOME EMPLOYEES DISSATISFIED.

10. THAT ADJUSTMENT OUT OF THE WAY, FINNS HAVE BEEN WAITING, AS PRICES AND INFLATION SOARED (HELSINKI 1774), FOR INCREASES THEY CONFIDENTLY EXPECT TO GET, ALTHOUGH THEY UNHAPPILY EXPECT IT TO COME LATE, IN THE FAMILIAR PATTERN.

11. WE HOPE AGENCY WILL CONSIDER THE SERIOUS LIMITED OFFICIAL USE

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SHORTAGE OF LABOR IN THIS COUNTRY OF INDUSTRIAL OUTPUT AND ONLY FIVE MILLION PEOPLE. THE CHIEF ADMINISTRATIVE OFFICER OF GIANT INDUSTRIAL COMPLEX, NOKIA OY, TOOK THE PAO TO LUNCH THIS WEEK SO AS TO ASK HIM TO SCOUR USIS LIBRARY FOR INFORMATION ON ACQUISITION OF PERSONNEL AND WHAT AMERICAN FIRMS ARE DOING TO ATTRACT AND KEEP PERSONNEL. KNOKIA'S PROPOSED SOLUTION IS TO MOVE THEIR LARGE FACTORIES TO CENTRES

OF GREATER POPULATION.

12. WE BELIEVE THIS IS NOT JUST A PERSONNEL PROBLEM BUT ONE OF IMPORTANCE TO THE US INTERESTS IN FINLAND. WE REPORTED IN HELSINKI 1807 OF SEPT 11, THE ACROSS-THE-POLITICAL SPECTRUM CELEBRATION OF ANNIVERSARY OF ALLENDE'S FALL. PRESS, RADIO AND TELEVISION HAVE HAD A FIELD DAY, NOT A VERY GOOD ONE FOR US. ANY ACTION MILITATING AGAINST MORALE OF OUR STAFF WE THINK ILL ADVISED. IT IS NOT EASY TO BE AN INTEL-LECTUAL WORKING FOR THE USG IN THIS COUNTRY.

13. USIS IS WELL AWARE OF AGENCY'S -AND DEPARTMENT'S -FISCAL CONDITION: IT IS NOT SO GOOD HERE EITHER. BUT WITH ALL DUE RESPECT, MORALE OF FOREIGN SERVICE NATIONAL STAFF PERSONNEL IS IMPORTANT TO SUCCESSFUL PURSUIT OF US FOREIGN POLICY.

14. POST URGES FULL IMPLEMENTATION FOR ALL MISSION PERSONNEL OF PROPOSED EMBASSY WAGE HIKE EFFECTIVE OCTOBER FIRST, AND THAT IS LATE ENOUGH.

15. WE SHOULD MENTION THAT WAGE SURVEY DID NOT SOLVE ALL PERSONNEL'S REGARD OF OUR COMPETITIVE POSITION HERE. FOR EXAMPLE, GOF EMPLOYEES GET 66 PERCENT OF THEIR SALARY AFTER THIRTY YEARS SERVICE, AND GOF PAYS ALL CONTRIBUTIONS TO RETIREMENT FUND. OUR PEOPLE HAVE TO CONTRIBUTE 7 PERCENT OF THEIR SALARIES, A SIZEABLE CUT, AND AT THIRTY YEARS CAN ONLY RETIRE WITH SIXTY PERCENT OF SALARIES.

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16. REPLY REQUESTED.  
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## Message Attributes

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